

Hastings (WA) McInnis  
 Hayes McKeon  
 Hayworth Mica  
 Hefley Miller (FL)  
 Hensarling Miller (MI)  
 Herger Miller, Gary  
 Hobson Moran (KS)  
 Hoekstra Murphy  
 Hostettler Musgrave  
 Houghton Myrick  
 Hulshof Neugebauer  
 Hunter Northup  
 Hyde Nunes  
 Isakson Osborne  
 Issa  
 Istook Otter  
 Jenkins Oxley  
 Johnson (CT) Pearce  
 Johnson (IL) Pence  
 Johnson, Sam Peterson (PA)  
 Jones (NC) Petri  
 Keller Pickering  
 Kelly Pitts  
 Kennedy (MN) Platts  
 King (IA) Pombo  
 King (NY) Porter  
 Kingston Portman  
 Kirk Pryce (OH)  
 Kline Putnam  
 Knollenberg Quinn  
 Kolbe Radanovich  
 LaHood Ramstad  
 Latham Regula  
 LaTourette Rehberg  
 Leach Renzi  
 Lewis (CA) Reynolds  
 Lewis (KY) Rogers (AL)  
 Linder Rogers (KY)  
 LoBiondo Rogers (MI)  
 Lucas (OK) Rohrabacher  
 Manzullo Ros-Lehtinen  
 McCotter Royce  
 McCrery Ryan (WI)  
 McHugh Ryun (KS)

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 Berkley Frost  
 Berman Gonzalez  
 Berry Gordon  
 Bishop (GA) Green (TX)  
 Bishop (NY) Grijalva  
 Blumenauer Gutierrez  
 Boswell Harman  
 Boucher Hastings (FL)  
 Boyd Herseeth  
 Brady (PA) Hill  
 Brown (OH) Hinchey  
 Brown, Corrine Hoeffel  
 Butterfield Holden  
 Capps Holt  
 Capuano Honda  
 Cardin Hooley (OR)  
 Cardoza Hoyer  
 Carson (IN) Inslee  
 Carson (OK) Israel  
 Case Jackson (IL)  
 Chandler Jackson-Lee  
 Clay (TX)  
 Conyers Jefferson  
 Cooper John  
 Costello Johnson, E. B.  
 Cramer Jones (OH)  
 Crowley Kanjorski  
 Cummings Kaptur  
 Davis (AL) Kennedy (RI)  
 Davis (CA) Kildee  
 Davis (FL) Kilpatrick  
 Davis (IL) Kind  
 Davis (TN) Kucinich  
 DeFazio Lampson  
 DeGette Langevin  
 Delahunt Lantos  
 DeLauro Larsen (WA)  
 Deutsch Larson (CT)  
 Dicks Lee  
 Dingell Levin  
 Doggett Lewis (GA)  
 Dooley (CA) Lipinski  
 Doyle Lofgren  
 Edwards Lowey

Saxton  
 Sensenbrenner  
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 Skelton  
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 Simpson  
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 Ose  
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 Taylor (NC)  
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Spratt  
 Stark  
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 Tanner  
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 Thompson (CA)  
 Thompson (MS)  
 Tierney  
 Towns  
 Turner (TX)  
 Udall (CO)

Udall (NM)  
 Van Hollen  
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## NOT VOTING—23

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 Moran (VA)  
 Nethercutt  
 Ney  
 Norwood

Nussle  
 Paul  
 Ryan (OH)  
 Schrock  
 Strickland  
 Tauzin  
 Young (AK)

## ANNOUNCEMENT BY THE CHAIRMAN

The CHAIRMAN (during the vote). Members are advised that 2 minutes remain in this vote.

□ 1829

So the motion was agreed to.

The result of the vote was announced as above recorded.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. SIMPSON) having assumed the chair, Mr. LATOURETTE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 5006) making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2005, and for other purposes, had come to no resolution thereon.

# MAKING IN ORDER AT ANY TIME CONSIDERATION OF HOUSE RESOLUTION 757, EXPRESSING SENSE OF THE HOUSE ON ANNIVERSARY OF TERRORIST ATTACKS LAUNCHED AGAINST UNITED STATES ON SEPTEMBER 11, 2001

Mr. DREIER. Mr. Speaker, I ask unanimous consent that it shall be in order at any time to consider House Resolution 757 in the House; the resolution shall be considered as read for amendment; the previous question shall be considered as ordered on the resolution and preamble to final adoption without intervening motion or demand for division of the question except: (1) 1 hour of debate on the resolution equally divided and controlled by the chairman and ranking minority member of the Committee on International Relations; and (2) one motion to recommit which may not contain instructions.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

# REPORT ON H.R. 5025, DEPARTMENTS OF TRANSPORTATION AND TREASURY AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 2005

Mr. ISTOOK, from the Committee on Appropriations, submitted a privileged report (Rept. No. 108-671) on the bill (H.R. 5025) making appropriations for the Departments of Transportation and Treasury, and independent agencies for the fiscal year ending September 30, 2005, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

The SPEAKER pro tempore. Pursuant to clause 1, rule XXI, all points of order are reserved on the bill.

# MOTION TO INSTRUCT CONFEREES ON H.R. 1308, TAX RELIEF, SIMPLIFICATION, AND EQUITY ACT OF 2003

Mr. HILL. Mr. Speaker, I offer a motion to instruct.

The SPEAKER pro tempore. The Clerk will report the motion.

The Clerk read as follows:

Mr. HILL moves that the managers on the part of the House at the conference on the disagreeing votes of the two Houses on the House amendment to the Senate amendment to the bill H.R. 1308 be instructed to agree, to the maximum extent possible within the scope of conference, to a conference report that—

(1) extends the tax relief provisions which expire at the end of 2004, and

(2) does not increase the Federal budget deficit.

The SPEAKER pro tempore. Pursuant to clause 7 of rule XXII, the gentleman from Indiana (Mr. HILL) and the gentleman from Pennsylvania (Mr. ENGLISH) each will control 30 minutes.

The Chair recognizes the gentleman from Indiana (Mr. HILL).

Mr. HILL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today I am here to introduce a simple, but important, motion before us. My motion calls on Congress to extend expiring middle- and low-income tax cuts set to expire at the end of this year without increasing the deficit. We have seen broad and bipartisan support for extending the middle-class tax cuts. We have also seen bipartisan support for the concept of pay-as-you-go to avoid further increasing the ballooning budget deficits facing our Nation. The motion before us asks the conferees to be sure that Congress achieves both of these goals.

We have already seen a bipartisan proposal from the Senate extending for a year middle-class tax cuts without increasing the deficit. And the Blue Dogs have offered a corresponding bill in the House.

□ 1830

There are some simple solutions to making these cuts budget neutral, and I would suggest that they are relatively noncontroversial, such as closing various tax shelters that are being abused.

Mr. Speaker, we ought to be creating economic stimulus and tax relief while maintaining our long-term economic security. Economists have estimated that the current debt limit will be reached very soon, either this month or in October. This means that the limit on the national debt will have to be raised for the third time in 4 years to more than \$8 trillion, effectively forcing our children and our grandchildren to pay our Nation's bills. Tragically, Social Security becomes the victim program of this irresponsible behavior because its surpluses are used to fund the debt.

The Congressional Budget Office has announced that the 2004 deficit will be \$422 billion. When the Social Security surplus is excluded, the deficit for 2004 is \$574 billion. And we have got projected deficits as far as the eye can see if Congress continues down the path it is on.

So for starters, I think a budget paired with budget enforcement rules would help get us on the right track. Alan Greenspan and many others have called for these deficits to be reined in through pay-as-you-go budget discipline. So if we are going to cut taxes in this fiscal climate, we ought to be doing it either with offsets or spending cuts. I could not in good conscience add more burden to the backs of our children and grandchildren, and this Congress should not have that kind of a conscience as well. Families are spending thousands of dollars each year in debt taxes because the Federal Government has not balanced its books. As deficits grow, so does the burden on taxpayers. Not only is the deficit spending irresponsible, but it is immoral, passing on a legacy of debt to be paid off by our children and our grandchildren.

One of our highest priorities should be to act fiscally responsible with the people's tax dollars. If we are to be responsible and honest with the people, we must honestly confront the cause of these deficits. We cannot continue down the path of increased spending and tax cutting at the same time. This Congress is doing both, and it is burying its head in the sand by expecting no consequences. Soon the debt will be so enormous that it will begin to affect "the long-term health of our economy," not my words but the words of Alan Greenspan. When that day comes, we can be sure that the middle class will shoulder the heaviest burden.

So let us give the middle class some relief from taxes today without making them pay for it in the end.

Lastly, I want to make clear that this motion calls for the extension, not the expiration, of middle-class tax cuts. But there is no free lunch here. These tax cuts will be paid for somehow, whether it is with an offset upfront like we want to do it today or whether it is offset with borrowed money tomorrow. As the Concord Coalition has noted, if we must borrow the money, the cost will even be greater

because we have to pay interest on the borrowed money. That is equal to a tax increase on the American people.

All it takes is a couple of hands reaching across the aisle, and we can make a real difference in the lives of the middle- and lower-income families of America. Both Congress and the administration ought to sit down, put everything on the table, and get our economic house in order, not mortgage our future to pay for today.

Mr. Speaker, I reserve the balance of my time.

Mr. ENGLISH. Mr. Speaker, I yield 7 minutes to the gentleman from Arizona (Mr. HAYWORTH), my distinguished colleague from the Committee on Ways and Means.

Mr. HAYWORTH. Mr. Speaker, I thank the gentleman from Pennsylvania for yielding me this time.

I listened with great interest to my friend from Indiana, and I rise asking this House to reject this motion to instruct because when we take a closer look at what is transpiring here, we do see really a distillation, a distinction, of two different philosophies. One is the notion that the highest and best use of the taxpayers' money is here by government. And that is fine. That is an intellectually defensible position; but those who offer that tonight, I believe, need to make very clear to the American public what, in fact, transpires if we embrace this motion to instruct.

Essentially what will transpire, despite the best efforts of my friends on the other side, if this body fails to act to maintain the rate of tax relief, next year the \$1,000 child tax credit shrinks. It shrinks to \$700 per child.

If we want to provide tax relief for working families, the desired goal that we hear from our friends here, we do not want, in essence, to increase taxes. But that will be what will happen. We will see the marriage penalty provision reduced.

And it is fine to have a disagreement. My friends on the other side view this as a fundamental cost to government. Again, that is fine, and I will leave that position for them to stake out, and we could go back through a litany of history in deficit spending that in previous Congresses it seemed to matter not a whit. But we welcome this adherence that my friends now say they have for fiscal accountability, responsibility. We welcome it from any quarter.

But the question becomes, What is the best way really long term to reduce deficits? And this argument, incidentally, is nothing really new. It has been part and parcel of our constitutional Republic since the Federalist Papers. Hamilton and others said, why do we not embrace a policy of growth? When we reduce taxation across the board, when we maintain the \$1,000-per-child tax credit, when we maintain the alleviation of the marriage penalty that we have incorporated into current law, we actually grow the economy because

people have more of their hard-earned money to spend.

And so it is important to maintain the tax relief that we have already established, not to come back and fill under the notion that somehow by doing so, we are being more fiscally accountable and responsible. No, we are not to the families who depend on the tax relief. And if we reject across-the-board tax relief, we are hurting the very people who produce in our economy.

Good people can disagree. And we appreciate the motion to instruct, and we appreciate the lectures that will be forthcoming, to be sure, on fiscal responsibility. But at the end of the day when we maintain a reduction of taxation across the board, we grow our economy. We have seen that happen. It is not partisan. Many of my friends on this side and, indeed, throughout the Chamber and across this country, Mr. Speaker, remember with great reverence Jack Kennedy's Presidency, remember his argument that a rising tide lifts all the boats, that when we cut taxes across the board, we invigorate the economy.

We saw that happen, though, sadly, President Kennedy did not live to see the result. We saw it happen in the Presidency of Ronald Reagan. We have seen a reinvigoration of our economy through the across-the-board tax relief that we have offered now that should be made permanent because that is the very thing that has gotten us out of the economic doldrums in the wake of 9/11.

So, respectfully, not doubting the sincerity of my friend from Indiana, nor the speakers who will follow, we just have two different paths we need to follow. Either embrace pro-growth notions that in the fullness of time we know that long term we actually increase revenues to the government for more economic activity. And despite the best efforts of my friend, I do not want to see the per-child tax credit watered down to \$700 a year. I do not want to see a decrease in the benefits we have offered married couples. I do not want to see an abridgement in what, in essence, in the long term will actually increase revenues to the government through increased economic activity.

But two different points of view: either the money belongs to the folks, or it belongs to the government. If we vote "yes" on the motion to instruct, what we are doing is saying the highest and best use of the people's money, Mr. Speaker, is here in Washington, D.C. I believe it is exactly the opposite. I believe the highest and best use of the money is not to ignore our obligations, but to understand the money belongs to the people. When the people keep more of it, when the families with children keep more of it, when married couples keep more of it, when small business owners have more of their money to save, spend, and invest, we indeed ignite the engines of economic prosperity.

And in the long term, Mr. Speaker, we will see more revenue to the government, not through the heavy hand of castor oil economics, but through the real proven success, whether in the Kennedy years or in the Reagan years or more recently this Congress working with this President, we fire the engines of economic activity.

So with all due respect to my friends on the other side, reject this motion to instruct. Stay the course. In the long term it will mean more economic prosperity and the very revenues to the government my friends on the other side purport to want to see.

Mr. HILL. Mr. Speaker, I yield myself such time as I may consume.

Apparently the gentleman from Arizona, my good friend, has not read our motion to instruct. We want to do the same things about rejuvenating the economic machine that he does. We want to extend the tax cuts. We just want to pay for it. And so I fail to understand the point that he was trying to make.

Mr. Speaker, I yield 5 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I am sorry my friend from Arizona has left the floor. But I sat here and listened carefully to his very eloquent speech that was totally irrelevant to the motion that is before the House.

We are not talking about raising taxes. We are talking about being concerned about the rising deficit. And sooner or later these speeches that we make, and I think it was Yogi Berra who said this is *deja vu* all over again, sooner or later folks like the gentleman from Arizona (Mr. HAYWORTH) are going to have to come to this floor and increase the debt ceiling for the United States of America, the credit card limit. Because they can talk about all of what these tax cuts are doing all they want to, but CBO today certified that we now have the largest deficit in the history of our country, \$422 billion; and it is explained away, somehow, some way, this rhetoric that we hear over and over that unfortunately has got a few of the American people believing them, that these deficits do not matter.

They do matter; and soon, I hope, the gentleman from Arizona will stand on this floor and move the motion to increase our debt ceiling to \$8 trillion, which is what somebody is going to have to do because we will reach sometime in October or early November the credit card limit of what the United States of America can borrow.

The gentleman from Indiana offers a simple motion to instruct, and just as he said, the Blue Dogs, we had a substitute that called for an extension of middle-class tax relief, the marriage tax penalty. All of these, we are not arguing. We want to extend them. But nobody listens on that side. They come up with a speech that is totally irrelevant to the argument. But we want to pay for them because if we do not pay for them, we are going to have to bor-

row the additional money to make room for them. That is not me talking. That is not the Blue Dogs talking. That is the overwhelming consensus of economists who are saying we have got to borrow it; \$422 billion dollars, \$574 billion when we once again take into consideration we are borrowing all of the Social Security trust fund dollars and we might add in all the military trust fund dollars and all of the civil service trust fund dollars. And the folks on this side who claim to be conservatives say that is irrelevant.

It is going to take 40 percent of all the income taxes collected this year to pay the deficit tax, the interest on the national debt. And if interest rates start going up, guess what. The deficit tax is going to go up.

□ 1845

This is money that is literally wasted as far as a productive value for the United States of America. But nobody mentions that. Everybody is going to talk about more tax cuts, more tax cuts.

We say, great. Put them on the floor, paid for, and we will support you. But put them on the floor and borrow on our children's and grandchildren's future, and we say no. Let you do it. But you will have to make another speech like the gentleman from Arizona makes, and everybody thinks that is great stuff and that us Blue Dogs are all opposing him. We agreed with him. We agreed with him on everything, except you should not do what he is doing by borrowing on the future on some theory of economics that has been proven, proven in the 1980s, proven in the 1990s, and now we are about to prove it in this century, that it does not work, because if it did work, we would not have to be borrowing the money to pay for it.

So listen very carefully to what Mr. Greenspan is saying. Listen to what people like Pete Peterson, people like the Concord Coalition are saying; begging this body, begging this body to get fiscally responsible and not keep turning a blind eye to the fact that of this debt held by the public now, \$1.7 trillion of that debt is now owned by foreign interests, and \$1 trillion of our debt is owned by foreign institutions.

Now, the United States of America is no different than any family sitting down over dinner at this moment. When your banker tells you that you cannot borrow any more, you have to adjust your spending habits.

We are heading for a precipice that is going to be one of the most serious problems this country has ever faced, because 2011 is not that far away. The baby-boom generation, all the promises, all of the legislation we refuse to consider on this floor dealing with the future is being swept under the rug.

Support the gentleman from Indiana's motion to instruct. It is a fiscally responsible direction for this House to take.

Mr. ENGLISH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, you know, this is a very interesting debate tonight, although it seems a little circular, because we have seen similar motions to instruct in the past.

Mr. Speaker, I have chosen to rise tonight in opposition to this motion to instruct. First I want to commend the chairman of the Committee on Ways and Means and the Republican leadership for having already taken substantial action on the issues before us.

Contrary to what the argument is we are hearing from the minority, the House took action on this issue and moved legislation forward in order to ensure that families are not hit with a tax increase next year. Earlier this year, the House voted to permanently extend the current \$1,000 child tax credit, relief from the marriage penalty and the expansion of the 10 percent bracket. That is the bracket that applies to working families. The House passed this permanent relief without raising taxes on hard-working Americans.

The motion to instruct before us takes several steps back from the policy we had previously passed. The motion calls for the extension of middle-class tax cuts, but insists that they be fully paid for. I do not think that the minority intends to pay for them through cuts in spending. If they did, we might have a very different outcome this evening, but I do not believe they do.

Republicans have provided tax relief in the past 3 years, and the minority has fought us every single time.

Mr. STENHOLM. Mr. Speaker, will the gentleman yield?

Mr. ENGLISH. Mr. Speaker, the gentleman has already had a few minutes. I would like to complete my statement, because I think it is important that a realistic perspective be offered on this.

This is, in my view, simply another attempt to turn the clock back on tax relief. While it is costly to extend tax relief permanently, the workers of this country deserve to know that their taxes will not be increased on a year-by-year basis. The tax relief passed by this House under this administration has clearly helped grow the economy.

Chairman Greenspan has been invoked here, and it is fairly clear from his testimony before congressional committees that he believes that the tax plan that has passed the House and that has been signed into law has clearly stimulated the economy.

This is the wrong time to block the extension of this tax relief. The House acted when it passed a direct and permanent solution to the needs of families struggling with the burden of day-to-day expenses.

This motion, in my view, is unnecessary and sets us down a path of tax increases. The author, whom I have great respect for, argued that this could be paid for simply by closing a few tax shelters. If it is so painless, I would be very interested as a member of the

Committee on Ways and Means to solicit his suggestions, and perhaps he may offer some this evening.

I thank him, Mr. Speaker. However, under the circumstances, I feel obliged to call upon the House to oppose this motion.

Mr. HILL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think most Americans listening to this debate tonight would agree that tax cuts are not appropriate when you have to borrow the money to offer the tax cuts, so this motion that we are offering here tonight prevents that from happening. It simply says we have got to find a way to pay for it, and we are not going to go out and borrow the money. I think everybody at their kitchen table tonight would agree with that philosophy.

Mr. Speaker, I yield 3 minutes to my friend, the gentleman from Florida (Mr. BOYD).

Mr. BOYD. Mr. Speaker, I want to thank my friend from Indiana for yielding me time.

Mr. Speaker, there are so many issues that the Members of this House disagree upon, and I am talking about Members from the Democratic side disagreeing with the Members on the Republican side. Witness the bill that was just pulled by the majority leadership over the overtime regulation issue. And there are other issues that we disagree upon.

But, Mr. Speaker, there are many, many issues that we do agree upon, and I think what the American people want us to do is to isolate those issues that we can agree upon and then move forward with those particular issues.

I listened to my friend from Pennsylvania and my friend from Arizona earlier, whom I am not sure was reading the same motion to instruct that I have before me. But the motion to instruct that we have before us does two things, two things that I think every Member of this House would agree with, and certainly all of the American families would. There are three specific provisions. It extends the middle-income tax cut. Number one is the 10 percent tax bracket; two is the child tax credit; and, three, is the Marriage Penalty Relief Act. It extends those.

Now, my friend from Pennsylvania voted for those, but he voted earlier to end them, to sunset them, after 4 years. Now we face that sunset. We are asking that they be extended. That is the first part.

The second part says do not increase the size of the Federal budget deficit. These are two things we can agree upon.

Extend the tax cuts; that is, the 10 percent bracket, the child tax credit and, of course, the marriage penalty relief. Those are provisions which will affect every middle-income family in a positive way. Those are provisions which will, in the long run, increase the size of the middle class of America, and any good economic policy plan put in place by anyone should include pro-

visions which try to increase the size of the middle class.

So, Mr. Speaker, we should not be confused by all the rhetoric here about raising taxes. This motion to instruct extends tax cuts. I would remind us to focus on those things again: The 10 percent tax bracket, the child tax credit and the marriage penalty relief, and doing it without increasing the size of the Federal budget deficit.

Mr. ENGLISH. Mr. Speaker, I reserve the balance of my time.

Mr. HILL. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Speaker, I thank the gentleman for yielding me time.

I asked the gentleman from Pennsylvania to yield a moment ago, and he refused to. And I understand, I did not mean to interrupt, but I did want to clarify one of the statements.

The gentleman was mischaracterizing what we are standing up here doing tonight. We are suggesting that tax cuts be paid for, and we would love to see spending reductions proposed to accommodate that. That is what we would like to see on this floor, and that is what we constantly and consistently do.

I would ask the gentleman, and I will yield to him for a brief answer to a question, will the gentleman bring from the Committee on Ways and Means a bill to the floor of the House before we adjourn for the elections to increase the debt ceiling for the United States of America to \$8 trillion to accommodate the economic policy that the gentleman seems unwilling to make any changes in and believe is successful? Will the gentleman do that?

Mr. ENGLISH. Mr. Speaker, will the gentleman yield?

Mr. STENHOLM. I yield to the gentleman from Pennsylvania.

Mr. ENGLISH. Mr. Speaker, I am deeply flattered by the gentleman's kind words and his apparent elevation of me to the chairmanship of the Committee on Ways and Means. I am not in a position to make any promises about what the Committee on Ways and Means will do.

I am not in a position to make a commitment on behalf of the Committee on Ways and Means. I do not know the chairman's policy. I do know that the chairman is prepared to move forward with whatever legislation is necessary, recognizing that the national debt today is significantly smaller relative to the economy than when Republicans inherited that 10 years ago when I came in.

I cannot, obviously, commit the Committee on Ways and Means.

Mr. STENHOLM. Mr. Speaker, reclaiming my time, I want to ask another question then. I would just refer to the gentleman as an individual Member, 1/435th of this body, does the gentleman believe we should have a clean up-or-down vote on increasing the debt ceiling for this country prior to going home to run for reelection?

The SPEAKER pro tempore (Mr. SIMPSON). The time of the gentleman from Texas has expired.

Mr. HILL. Mr. Speaker, how much is remaining?

The SPEAKER pro tempore. The gentleman from Indiana (Mr. HILL) has 15 minutes remaining and the gentleman from Pennsylvania (Mr. ENGLISH) has 19½ minutes remaining.

Mr. ENGLISH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I think what is coming through here is kind of an interesting contrast, and while I am here by myself tonight speaking on this point, I do not feel that I am particularly outnumbered, one man and the truth and all of that.

I think what we have before us, Republicans clearly want to prevent tax increases on middle-class families. I think from the debate tonight we have a legitimate question as to whether our friends on the other side are as firmly committed to doing that, unless they also get to raise taxes somewhere else.

I found reassuring some of the comments of my friend from Texas who suggested that he might be willing to consider cuts as well in spending. I think everyone here intuitively understands that there is adequate spending, low-priority spending, in the Federal Government, and that certainly that would be one way we can bring down the deficit. In fact, the Republican budget this year contemplates just that kind of fiscal restraint through the process.

H.R. 1308 maintains the successful tax policy that has clearly contributed to the economic recovery. The motion to instruct here creates a zero sum game. It extends tax relief with one hand, while potentially raising taxes with the other. If I understand our recent fiscal experience in America, I do not believe that this is a good time for us to be raising taxes on certain sectors. This is bad for the economy, and it is bad for families.

Republicans have provided significant tax relief for families since this administration took office resulting in higher after-tax incomes for Americans. Yet because of arcane Senate rules, Congress could not provide permanent tax relief for families.

The gentleman correctly pointed out that when we voted, what we voted for turned out to be a temporary expedient, but was a function, as he well knows, of the Senate and its rules.

□ 1900

House Republicans have voted to provide predictability in the Tax Code, and the Senate has not taken those steps. If Congress does not act, I think we all could agree, middle-class families will face a tax increase next year. For example, next year, the \$1,000 tax credit, as my friend from Arizona noted, drops to \$700 per child. The 10 percent tax bracket will apply to less of an individual's income, and the marriage penalty provision will provide significantly less relief for couples.

The House has voted overwhelmingly to make these tax cuts permanent and has done so without offsets. These votes show that the House does not want to increase taxes on middle-class American families.

Now, if we are serious about looking for a way of balancing this, if we are serious about addressing the deficit, first we need to stimulate the economy to bring down the deficit. We have done that, and it has succeeded. But second of all, if there is an argument here that we should be tying tax cuts to other reductions in spending, or closing some unsubstantial loopholes, then I think that the burden is on the other side as they lay out the instructions to tell us specifically how they think this could be done without pain or without a drag on the economy.

Mr. Speaker, I retain the balance of my time.

#### ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. PEARCE). Members are reminded to refrain from improper references to the Senate.

Mr. HILL. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas (Mr. MOORE).

Mr. MOORE. Mr. Speaker, I thank the gentleman from Indiana for yielding me this time.

Mr. Speaker, we talk so much in this institution about values; and, specifically, we talk about family values. Fiscal responsibility is a family value. It is a family value we should teach our children; it is a family value we should practice ourselves here in Congress as we do in our homes around the country.

When we stand up here, and I am here in support of the gentleman from Indiana's motion to instruct on H.R. 1308, what this would do is extend tax cuts, extend tax cuts, not raise taxes; so the debate tonight is partially mischaracterizing what this is all about. All we are saying, Mr. Speaker, is that when we extend these tax cuts, we want to employ what Chairman Greenspan recommended the House reinstitute and that is budget rules that say pay for these, find some way to offset these or pay for these tax cuts. That is all we want to do. We want to extend tax cuts, not raise taxes; but we want to do it in a fiscally responsible manner.

As my colleagues know, we have a \$7.3 trillion debt, the highest in our Nation's history; we have a \$422 billion deficit, the highest in our Nation's history. We are paying almost \$1 billion a day in what I call the debt tax, which is the interest on our national debt. It is money that could be used for more tax cuts if we were not paying interest on this huge national debt.

We have got to get back to fiscal responsibility. We have to get back to fiscal sanity. We have to start living like American families do, within a budget. And this should not be about

Democrats and Republicans. This should not be partisan. This should be about the future of our country and not placing a huge unsustainable, unpayable mortgage on the future of our children and grandchildren.

Mr. ENGLISH. Mr. Speaker, I retain the balance of my time.

Mr. HILL. Mr. Speaker, I yield myself such time as I may consume.

I will say that when this side of the aisle at one time subscribed to spending caps and pay-as-you-go, now they have abandoned that idea for some reason; but when we did have them in place, we actually went into a surplus. Now that we have abandoned that discipline, we are looking at deficits as far as the eye can see. Mr. Greenspan, his name was evoked tonight, and it was evoked because he believes in pay-as-you-go and spending caps. We have to get real with our budget deficits.

Mr. Speaker, I yield 4 minutes to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Mr. Speaker, I find this debate we are having this evening most amazing. I was eating breakfast Monday morning with a dear friend of mine. He is a farmer and lives on the bank of the St. Francis River in Clay County, Arkansas. He is full of wisdom. He knows that if you do not make a crop, you cannot pay the bank off. He understands that. We were sitting there eating breakfast just at daylight looking out across some beautiful cotton; and he said, MARION, those guys are not going to know they are broke until they have sold their last chicken. We have already sold our last chicken, and you guys want to just keep borrowing money and borrowing money and piling the debt on top of debt on top of debt on top of my grandchildren.

Like everyone that has grandchildren, I think they are the most special thing, and it breaks my heart to see what you all are doing to them and this country. I do not see how you can continue to deceive yourselves and try to deceive this great Nation by doing that. And you can talk about raising taxes and you can talk about whatever you want to. The bottom line is, you cannot hide from that debt. You got to pay it. You got to pay the interest on it. There is no place to go when it gets so high that nobody can afford it, and we are already there. Yet you want to keep playing these little games. There are lots of things you can say about this, but one thing is for sure: it is irresponsible.

I do not think anybody has children or grandchildren that they do not care a lot about and they love them deeply and they do not want to leave them in debt.

I remember so well when President Bush first came into office and the Blue Dogs reached out to him and said we know you want to cut taxes. We will work with you. We will help you. But let us not get back into that deficit ditch. He sent Vice President CHENEY to the Blue Dog meeting and it took him about 3 minutes to say we

think you are pretty good folks, but we do not need you and we do not care whether you like it or not, we are going to do this, and they did. And they took a \$5 trillion surplus and squandered it. It is gone. There is not a dime left in the trust funds of Medicare, Social Security. They are all gone. It has been spent. And we are deeper in debt today than we have ever been.

Then they sent this little fellow, Mitch Daniels, to explain to the poor, ignorant Blue Dogs that these tax cuts were going to create so much prosperity that our greatest danger in this country was going to be that we would not have any bonds to sell because we were going to be out of debt and we would not have to borrow any money. Not a more ridiculous idea has ever been presented in this building, and there have been some real dandies brought forth.

The fact is, the Nation is bankrupt, the \$5 trillion surplus is squandered, the ability to deal with Medicare and Social Security is gravely threatened, and nobody wants to acknowledge it. It is like, oh, just say it does not matter. Just tell them anything. The American people are smarter than that.

Some day, you guys will figure that out. I hope I am still around when that happens, but I hope my children and grandchildren do not have to pay the bill for it.

Mr. ENGLISH. Mr. Speaker, I retain the balance of my time.

Mr. HILL. Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas (Mr. ROSS).

Mr. ROSS. Mr. Speaker, I thank the gentleman from Indiana for yielding me this time this evening to talk about a very important issue.

Thinking back, it is hard to believe that from 1997 through 2001, this country was running on a balanced budget. It is hard to believe, because in 2002, this country ran a \$155 billion deficit. In 2003, it was \$374 billion. In 2004, it is \$422 billion. Guess what? If you subtract out the money they are borrowing from the Social Security trust fund, it is actually a \$574 billion deficit for fiscal year 2004. It is hard to believe that our Nation today is spending \$900,000 more than it is taking in.

For years, ever since I was a small child I have heard the Republicans talk about how it is the Democrats that spend the money. This is the first time in 50 years that the Republicans have controlled the White House, the House, and the Senate; and for the second year in a row, they have given us the largest budget deficit ever in our Nation's history. The debt today is \$7.3 trillion. By 2009 it will be \$10 trillion, and by 2013, it will be \$13 trillion. A trillion here, a trillion there, and before long we are talking about some real money.

Let me tell my colleagues this. This motion to instruct conferees simply says this: we support tax cuts for working families; we simply want them to be paid for. In other words, if you are